

NEITHER THE ONTARIO SECURITIES COMMISSION NOR THE TORONTO STOCK EXCHANGE HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

ONTARIO SECURITIES COMMISSION
THE TORONTO STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS

OF

Full
SARIMCO MINES LIMITED

~~ROOM 22, 49 WELLINGTON STREET EAST~~

TORONTO, ONTARIO

Goodwin Harris & Company Limited, 347 Bay Street, Toronto, Ontario, acting on behalf of its client, Exchange Underwriters Limited, 111 Jarvis Street, Toronto, Ontario, is offering these shares through the facilities of the Toronto Stock Exchange on an Open Market Distribution basis. For particulars as to the number of shares being offered and the price of same reference is made to Items 3 and 9 herein.

Not less than five business days and not more than twenty-one business days after this Statement is mailed, Exchange Underwriters Limited or Goodwin Harris & Company Limited will notify the Toronto Stock Exchange that the Open Market Distribution will commence at the opening of trading on a named day which will be announced by the Toronto Stock Exchange.

During the period of the offering, the offeror may make bids or purchases for the purpose of stabilizing the open market price of the security as permitted under Ruling No. 81 of the Toronto Stock Exchange.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE SECURITIES

STATEMENT OF MATERIAL FACTS

SARIMCO MINES LIMITED

1. Give brief details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.

* * * * *

The Company has arranged a financing by the sale to an underwriter of previously unissued treasury shares in its capital so as to net the treasury of the Company the sum of \$75,000. (See Item 9.)

The Company has agreed to acquire an option to purchase a 90% interest in four unpatented mining claims located in the Township of Rouyn in the Province of Quebec. (See Item 15 for particulars.)

At the Annual Meeting of the shareholders of the Company held on July 31, 1967, Patrick Jerome Sullivan, 105 Treverton Drive, Scarborough, Ontario, Chartered Accountant, and Olga Ethel Smith, 5 Elm Avenue, Toronto, Ontario, Corporate Secretary, were elected Directors of the Company for the ensuing year or until their successors are elected or appointed, succeeding Pierre H. Bond and J. H. Westell, who did not stand for re-election at the said meeting. Reference is made to Item 10. herein for particulars of Mr. Sullivan's interest as the sole beneficial owner of all of the outstanding shares of Exchange Underwriters Limited, the client on whose behalf Goodwin Harris & Company Limited have agreed to underwrite the shares of the Company.

2. Set out the description, designation and number of shares being offered by the issuer or selling shareholder. If any of the shares being offered are to be offered for the account of a selling shareholder, name such shareholder and state the number of shares owned by him, the number to be offered for his account, and the number to be owned by him after the offering.

* * * * *

This offering covers such number of common shares of the par value of \$1 each in the capital of the Company as shall be determined in accordance with Item 3 hereof so as to net the treasury of the Company the aggregate sum of \$75,000.00.

3. Set out the price to the public, underwriting discounts or commissions and the estimated net proceeds to the issuer or selling shareholder, on both a per share and an aggregate basis. If it is not possible to state the price to the public or the underwriting discount or commissions, the method by which they are to be determined shall be explained. Give the range of market price during the previous ninety days.

* * * * *

The shares covered by this offering will be offered through the facilities of the Toronto Stock Exchange on an Open Market Distribution basis and the underwriting discount and the maximum offering price to the public will be determined in accordance with the following schedule:

Closing Market Price on business day prior to commencement of distribution			Underwriting Discount	Maximum Offering Price
\$.20	up to	\$.50	25% from market price	25% above market price
.51	up to	1.00	20% from market price	20% above market price
1.01	up to	2.00	18% from market price	18% above market price
2.01	up to	5.00	15% from market price	15% above market price
	above	5.00	10% from market price	10% above market price

During the 90-day period preceding the date hereof, shares of the Company have traded in the range from a low of 10½¢ per share to a high of 16¢ per share.

4. State the principal purpose for which the estimated net proceeds to be derived by the issuer from the sale of the shares to be offered are intended to be used and the approximate amount intended to be used for each such purpose. If any material amounts of other funds are to be used in conjunction with the proceeds, state the amount and sources of such other funds.

* * * * *

The net proceeds to be derived from the sale of the shares covered hereby will be used to defray the ordinary operating expenses of the Company and to carry out the recommendations of C. T. Bischoff, P.Eng., contained in his report dated July 15, 1967, covering the Rouyn Township mining claims referred to in Item 15 hereof, estimated at \$15,000.00. (See Item 12 hereof.)

5. State the laws under which the issuer was incorporated and whether incorporated by letters patent or otherwise or under a particular part of an incorporating statute dealing with mining companies and the date thereof.

* * * * *

The Company was incorporated under the name Sand River Gold Mining Company Limited under Part XI of The Companies Act (Ontario) by Letters Patent dated February 8, 1935.

By Supplementary Letters Patent dated June 23, 1953, the authorized capital of the Company was increased from 3,000,000 shares of the par value of \$1.00 each to 6,000,000 shares of the par value of \$1.00 each.

By Supplementary Letters Patent dated August 6, 1964, the capital of the Company was reorganized so as to result in its present authorized capital of 6,000,000 shares of the par value of \$1 each and the name of the Company was changed to Sarimco Mines Limited.

6. Give names, addresses and chief occupations for the past five years of the officers and directors of the issuer.

* * * * *

The following sets forth the names, addresses and chief occupations for the past five years of the officers and directors of the Company.

Position Held	Name and Address	Chief Occupation for past 5 years
President and a Director	FREDERICK HURDMAN JOWSEY, 9 Glengowan Road, Toronto, Ontario.	President, F. H. Jowsey Limited, Toronto, Ontario, Mining Consultants.
Vice-President and a Director	DR. JOHN HAMEL STILES, 17 Elwood Blvd., Toronto, Ontario.	Physician.
Secretary-Treasurer	J. GUY WHEELER, 35 Thorncliffe Park Dr., Toronto, Ontario.	President, Guyco Corporation Limited, Toronto, Ontario, Corporate Secretarial Services.
Director	OLGA ETHEL SMITH, 5 Elm Avenue, Toronto, Ontario.	Corporate Secretary, employed by O.E.S. Corporate Services Limited, 95 King Street East, Toronto, Ontario.
Director	PATRICK JEROME SULLIVAN, 105 Treverton Drive, Scarborough, Ontario.	Chartered Accountant, Partner in the firm of Halladay, Robinson & Company, 111 Jarvis Street, Toronto, Ontario.
Director	HENRY THOMAS HURLEY, 126 Colin Avenue, Toronto, Ontario.	Mining Executive, Assistant Secretary- Treasurer of R. J. Jowsey Mining Company Limited since November 1966. Prior to that time Secretary-Treasurer.

7. State the shares capitalization of the issuer showing authorized and issued capital.

* * * * *

Authorized: 6,000,000 shares of the par value of \$1.00 each
Issued: 1,324,001 shares of the par value of \$1.00 each.

8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations of the issuer.

* * * * *

There are no bonds, debentures, notes, mortgages, charges, liens, hypothecations or other loan capital of the Company extant or proposed at this time.

9. Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding proposed underwriting or option agreement, including the name and address of each underwriter or optionee. Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements.

* * * * *

By an underwriting and option agreement dated July 31, 1967, Goodwin Harris & Company Limited, 347 Bay Street, Toronto, Ontario, acting on behalf of its client, Exchange Underwriters Limited, 111 Jarvis Street, Toronto, Ontario, has agreed to firmly purchase and pay for such number of shares at such prices as shall be determined in accordance with the schedule set forth in Item 3 hereof as shall be required to provide the Company with the net aggregate amount of \$75,000, provided that such price will not be lower than 15 cents per share for a maximum of 400,000 shares and will be marked up 5 cents per share from such price for such additional number of shares as may be required to provide the Company with the net aggregate amount of \$75,000.

In consideration of such firm purchase the Company has granted to the Underwriter-Optionee acting as aforesaid the option to purchase an additional number of shares being 50% of the number of shares firmly underwritten at the price to be determined as set forth in Item 3 hereof; such option to be exercisable at any time within three months of the firm purchase.

There are no sub-underwriting or sub-option agreements extant or proposed.

These shares will be offered through the facilities of the Toronto Stock Exchange on an Open Market Distribution basis.

10. Give name and address of any person or company who beneficially owns, directly or indirectly, in excess of 10% of the shares of any company named in answer to item 9 hereof and the number and percentage of equity shares so owned.

* * * * *

The only persons owning in excess of 10% of the shares of Goodwin Harris & Company Limited are as follows:

Name	Address	% of Equity Shares Owned
ALBERT GEORGE WHITE	23 Tresillian Road, Downsview, Ontario.....	50%
PETER LEWIS ROBINSON	45 Hillholm Road, Toronto, Ontario.....	50%

Patrick J. Sullivan, 105 Treverton Drive, Scarborough, Ontario, a Director of the Company, is the sole beneficial owner of all of the outstanding shares of Exchange Underwriters Limited.

11. Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed underwriting.

* * * * *

No payment of promoter or finder fees of any type has been made or is to be made in connection with the underwriting herein referred to.

12. Give brief particulars of important properties owned, leased, held under option or operated or presently intended to be owned, leased, held under option by the issuer.

* * * * *

In January, 1966, the Company acquired a 22½ % interest in 255 unpatented mining claims located in the Gaspé Area, Province of Quebec, at a cost of \$6,551 being its proportionate share of total staking costs. The other participants and their respective interests in these claims are as follows:

Rockwin Mines Limited, Toronto, Ontario	22½ %
Lyndhurst Mining Company Limited, Toronto, Ontario	22½ %
F. H. Jowsey, Toronto, Ontario	18½ %
Bruce M. Arnott, Toronto, Ontario	10 %
J. Lorne Jowsey, Toronto, Ontario	4 %

By an agreement dated July 15, 1966, the Company and its co-participants named above as optionors granted to Vespar Mines Limited, 4 King Street West, Toronto, Ontario, as optionee, the right or option to acquire an interest in the mining claims or such of them as Vespar shall elect to retain subject of the agreement.

The agreement provides that if Vespar shall have performed exploration work on the retained claims to the extent of \$25,000 on or before September 30, 1966, the option may be extended to October 1, 1967. To date Vespar has expended in excess of \$67,000.00 on the retained claims and accordingly the option presently is in good standing until October 1, 1967. If by October 1, 1967, Vespar shall have performed exploration work on the retained claims to the extent of \$75,000, the option may be extended to December 31, 1968.

If by December 31, 1968, Vespar shall have performed exploration work on the retained claims to the extent of \$200,000 it shall have earned an undivided 50% interest in such retained claims.

The agreement provides that Vespar may at its option cause the incorporation of a new company to acquire such of the retained claims as Vespar may designate for shares of the new company which will be allotted as to one-half to Vespar for its interest in the claims, as to one-quarter to the optionors for their interest in the claims and as to the remaining one-quarter to Vespar for advancing or arranging for the advancing to the new company of major financing as same shall appear necessary.

Of the original 255 mining claims, Vespar has returned to the optionors 138 claims and accordingly there are 117 claims the subject of this agreement, such claims being officially designated as follows:

- (a) 21 claims in RAUDIN TOWNSHIP numbered 231266 Cls. 1-5;
231267 Cls. 1-5; 231344 Cls. 2-5; 231345 Cls. 3-5;
231346 Cls. 4 and 5 and 252570 Cls. 1-2;
- (b) 94 claims in WEIR TOWNSHIP numbered 231344 Cls. 1;
231345 Cls. 1 and 2; 231346 Cls. 1-3; 231347 Cls. 1-5;
231348 Cls. 1-5; 231349 Cls. 1-5; 231351 Cls. 1-5;
231352 Cls. 1-5; 231353 Cls. 1-5; 231350 Cls. 1-5;
252551 Cls. 1-5; 252552 Cls. 1-5; 252553 Cls. 1-5;
252554 Cls. 1-5; 252555 Cls. 1-5; 252556 Cls. 1-5;
252557 Cls. 1-5; 252558 Cls. 1-5; 252559 Cls. 1-3;
252567 Cls. 1-5; and 252568 Cls. 1-5; and
- (c) 2 claims in HONORAT TOWNSHIP numbered 252559 Cls. 4 and 5.

The Company's interest in these claims is non-assessable and none of the proceeds from the sale of shares being offered hereby will be expended on this property.

Of the 138 claims returned to the optionors by Vespar 73 claims have been allowed to lapse.

Of the remaining 65 claims, 35 claims being officially designated as follows:

DEVILLE TOWNSHIP, GASPE, QUEBEC

Miner's Licence	Claims	Date Staked
231040	1-5 inclusive	Nov. 23, 1965
231039	1-5 inclusive	Nov. 22, 1965
231146	1-5 inclusive	Nov. 26, 1965
231140	1-5 inclusive	Nov. 27, 1965
231141	1-5 inclusive	Nov. 28, 1965
231145	1-5 inclusive	Nov. 24, 1965
231037	1-5 inclusive	Nov. 25, 1965

are the subject of a working option agreement dated October 26, 1966 with Keevil Mining Group Limited, 11 Adelaide Street West, Toronto, Ontario, whereunder Keevil has performed an aeromagnetic survey upon the claims and has earned an undivided 30% interest therein. Under the agreement Keevil has no further obligation to contribute exploration funds, however, when the expenditures of the optionors shall have reached \$12,250 Keevil shall either pay 30% of the cost of subsequent explorations or shall reduce its interest to whatever percentage \$5,250 bears to total moneys spent. In no event shall Keevil's interest be reduced below a 5% non-assessable interest. In the event that a commercial orebody is discovered beneath these claims, a

new company will be incorporated to acquire such claims for shares of the new company, which will be allocated to the optionors and to Keevil in the same proportion as their then percentage interest in the claims.

The Company does not intend to expend any money upon these claims at this time and accordingly none of the proceeds from the sale of shares offered hereby will be expended on this property.

The remaining 30 claims, being officially designated as follows:

LARIVIER TOWNSHIP, GASPE, QUEBEC

<u>Miner's Licence</u>	<u>Claims</u>	<u>Date Staked</u>
231031	1-5 inclusive	Nov. 18, 1965
231034	1-5 inclusive	Nov. 20, 1965
231036	1, 2, 3	Nov. 21, 1965
231036	4, 5	Nov. 22, 1965
231032	1 and 5	Nov. 23, 1965
231032	2, 3, 4	Nov. 22, 1965
231033	1, 2, 3	Nov. 22, 1965
231033	4, 5	Nov. 23, 1965
231035	1, 2, 3	Nov. 20, 1965
231035	4, 5	Nov. 21, 1965

are the subject of a working option agreement dated October 26, 1966 with Keevil Mining Group Limited, 11 Adelaide Street West, Toronto, Ontario, as optionee, whereunder Keevil has performed a recommended survey on these claims and has earned an undivided 30% interest therein. Keevil has no further obligation to contribute to exploration funds, however, when the expenditures of the optionors shall have reached \$10,500 Keevil shall either pay 30% of the cost of subsequent explorations or shall reduce its interest to whatever percentage \$4,500 bears to total moneys spent. In no event shall Keevil's interest be reduced below a 5% non-assessable interest. The agreement provides that in the event that a commercial orebody is discovered beneath the claims a new company will be incorporated to acquire the claims for shares of the new company, which will be allotted and issued to the optionors and to Keevil in the same proportion as their then percentage interest in the claims.

The Company does not intend to expend any money upon these claims at this time and accordingly none of the proceeds from the sale of shares offered hereby will be expended on this property.

In September and October, 1966, the Company performed a geochemical and magnetometric survey on a group of 23 unpatented mining claims located in Lesseps and Deville Townships in the Province of Quebec being officially designated as follows:

LESSEPS TOWNSHIP

<u>Development Licence No.</u>	<u>Claims Nos.</u>
228723	1 to 4 inclusive
228724	1 to 5 inclusive

DEVILLE TOWNSHIP

<u>Development Licence No.</u>	<u>Claims Nos.</u>
11773	1 to 5 inclusive
11774	1 to 4 inclusive
223682	1 to 5 inclusive

In consideration of this work performed by the Company at a cost of \$1500.00 the Company has acquired a 15% interest in these mining claims from F. H. Jowsey Limited, 49 Wellington Street East, Toronto, Ontario. F. H. Jowsey, the President of the Company, is also the president and controlling shareholder of F. H. Jowsey Limited.

See Item 15 for particulars of the acquisition by the Company of four unpatented mining claims located in the Township of Rouyn, Province of Quebec. The following excerpts are from the Report of C. T. Bischoff, P.Eng., dated July 15, 1967, covering this property:

“Summary:

“The four claims in northwest Rouyn Township covered by this report are located in the Main Noranda Area adjacent to several producing mines and former producers. They are underlain by volcanic rocks and crossed by a major fault. While no economic minerlization is known on the property its potential warrants careful study and exploration.

* * * * *

“Conclusions and Recommendations:

“As the property is small in area it is difficult to arrive at any constructive geological theories from examining it alone. Consequently, I would recommend that an effort be made to seek information from neighbours which may have been or could be derived from detailed geological mapping and diamond drilling.

“The possibility that the more basic appearing flows in the north part of the property are andesite provides some hope for the location of an andesite-rhyolite contact which might be favourable for localization of economic sulphide mineralization.

““Saturation geophysics” should be applied to obtain the maximum information possible before attempting more expensive diamond drilling. As the area involved is relatively small cost of such work would be moderate.

“Provision should be made for from 1,500 to 2,000 feet of diamond drilling to be planned in accordance with geophysical results and geological study in cooperation with neighbouring companies.

"Cost Estimate:

"Electromagnetic and induced polarization	\$ 3,000.00
1,500 - 2,000 feet of diamond drilling	10,000.00
Contingencies	2,000.00
TOTAL	\$ 15,000.00."

A copy of the full report of Mr. Bischoff has been filed and is available for inspection by the public during business hours at the offices of the Ontario Securities Commission, 123 Edward Street, Toronto, Ontario.

CERTIFICATE

I, Carl Theodore Bischoff, with offices at 240 Murdoch Avenue, Noranda, Quebec, certify that I am a qualified Mining Engineer, having received my training at the COLORADO SCHOOL OF MINES, Golden, Colorado, U.S.A.

I have had over 20 years' experience in mineral exploration and am familiar with the geology and ore deposits of the Noranda Area.

I made the magnetic survey mentioned in the attached report and personally examined the outcrops on the property during May, 1967.

I have no financial interest in the claims nor in the shares of Sarimco Mines Limited nor do I expect to receive any.

Signed,

"C. T. BISCHOFF"

At Noranda, Quebec,
This 15th day of July, 1967.

C. T. BISCHOFF, P.Eng.,
Mining Engineer.

13. Indicate whether any property referred to in Item 12 is without a known body of commercial ore or reserves of recoverable oil and gas.

* * * * *

None of the properties referred to in Item 12 can be said to contain a known body of commercial ore.

14. Give brief particulars of the exploration and development work of the issuer during the past year and the results thereof.

* * * * *

The only exploration and development work carried out by or on behalf of the Company during the past year has been the work performed by Vespar Mines Limited upon the Raudin, Weir and Honorat Township mining claims; by Keevil Mining Group Limited upon the Lariviere and Deville Township mining claims; and by the Company on the Lesseps and Deville Township mining claims all as set forth in Item 12 hereof.

15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.

* * * * *

By an agreement dated July 31, 1967, the Company has agreed to acquire from James Easto, 173 Warren Road, Toronto, Ontario, as Optionor, the sole and exclusive right or option for a period of six months from the effective date to purchase a 90% interest in 4 unpatented mining claims located in the Township of Rouyn, Province of Quebec, being mining claims Numbers 1 to 4 inclusive on Development Licence No. 192585 comprising a total of 88 acres. The consideration payable by the Company for this option is the allotment and issue to the Optionor on the effective date of 15,000 fully paid and non-assessable shares in the capital of the Company. The option may be extended and kept in good standing by the Company allotting and issuing to the Optionor as fully paid and non-assessable shares in the capital of the Company the number of shares at the times hereinafter set forth:

- (a) 15,000 shares within six months of the effective date;
- (b) 15,000 shares within nine months of the effective date;
- (c) 15,000 shares within twelve months of the effective date.

Providing that the aforementioned option payments are duly made, the option may be exercised in full upon the Company allotting and issuing to the Optionor a further 15,000 fully paid and non-assessable shares in the capital of the Company within 15 months of the effective date. The effective date is defined in the agreement as the third business day next following the date upon which this Statement shall have been accepted for filing by the Toronto Stock Exchange and the Ontario Securities Commission. The Optionor is not and has not been an insider or promoter of the Company or an associate or affiliate of any insider or promoter of the Company.

On January 11, 1966, the Company acquired from Kenneth T. Strange, Noranda, Quebec, at a cost of \$4,000 seven unpatented mining claims located in Rouyn Township, Quebec, being mining claims Nos. 1 to 4 inclusive on Development Licence 228489 and Nos. 1 to 3 inclusive on Development Licence 228488. A preliminary exploration program consisting of linecutting and a geophysical survey was carried out on these claims at a cost of \$1300. The results of this program were negative and accordingly the claims were allowed to lapse.

Reference is made to Item 12 hereof for particulars of other mining properties in which the Company is interested.

16. State the name of any person or company who is or has been a promoter of the issuer within the preceding two years and, if not disclosed in Item 15, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter.

* * * * *

No person can be said to have been a promoter of the Company during the past two years.

17. If the property referred to in Item 15 was or is to be paid for by the issuance of shares of the issuer or any subsidiary, give (a) the number of shares of the issuer and any subsidiary issued or to be issued to the vendor after giving effect to such transaction, and (b) the number and, if more than 5% of the shares presently outstanding, the percentage of shares of the issuer and any subsidiary owned or to be owned by the vendor after giving effect to the transaction. If the vendor is a company, give the names and addresses of the insiders of the company.

* * * * *

See Item 15. The Optionor does not now own any shares in the capital of the Company. After giving effect to the initial option payment of 15,000 shares having been allotted and issued to the Optionor, but without preference to any further option instalments or the underwritten shares, the number of which cannot now be determined, the Optionor will own .89% of the outstanding shares of the Company.

18. Give the number, and if more than 5%, the percentage of the shares of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement.

* * * * *

No shares of the Company are held in escrow or are subject to any pooling agreement.

19. Give the number of shares of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known either by the issuer or the selling shareholder to own beneficially, directly or indirectly, more than 5% of such shares, in each case within ten days from the date hereof. Show separately whether the shares are owned both of record and beneficially, of record only, or beneficially only, and show the respective amounts in percentages owned in each such manner.

* * * * *

Name	No. of shares and type of ownership as at July 31, 1967	% of outstanding shares*
E. T. Lynch & Company Limited, 55 Yonge Street, Toronto, Ontario.	247,600 of record only	18.5%
R. J. Jowsey Mining Company Limited	22,479 of record and beneficially 200,500 beneficially only	1.7% 14.9%
	Total beneficial ownership	16.6%
Directors and Officers		
PATRICK J. SULLIVAN, 105 Treverton Drive, Scarborough, Ontario.	90, direct, of record and beneficially	.06%
OLGA ETHEL SMITH, 5 Elm Avenue, Toronto, Ontario.	10, direct, of record and beneficially	.007%
F. H. JOWSEY, 9 Glengowan Road, Toronto, Ontario.	21,200, direct, of record and beneficially	1.59%
J. GUY WHEELER, 35 Thorncliffe Park Drive, Toronto, Ontario.	None	
DR. JOHN H. STILES, 17 Elwood Blvd., Toronto, Ontario.	100, direct, of record and beneficially	.07% .26%
HENRY T. HURLEY, 126 Colin Avenue, Toronto, Ontario.	3,500, direct, of record and beneficially	

Of the 247,600 shares registered in the name of E. T. Lynch & Company Limited, 200,500 of such shares are beneficially owned by R. J. Jowsey Mining Company Limited. The Company has no knowledge as to the beneficial ownership of the remaining 47,100 shares registered in the name of E. T. Lynch & Company Limited.

* * * * *

*Assuming issue to the Optionor of 15,000 shares but without giving effect to the issue of underwritten shares.

20. Give a brief statement of any material legal proceedings to which the issuer or any of its subsidiaries

is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.

* * * * *

The Company is not a party to any legal proceedings.

21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.

* * * * *

During the past year the aggregate direct remuneration paid by the Company to senior officers was \$2,015.00 for services rendered.

22. Give brief particulars of all options to purchase securities (other than such as are granted or proposed to be granted to shareholders as such on a pro rata basis) outstanding or proposed to be given by the issuer and its subsidiaries to any person or company, naming each such person or company and showing separately all such options outstanding or proposed to be given to the insiders of the issuer or its subsidiaries.

* * * * *

The only option to purchase securities of the Company outstanding is that in favour of the Underwriter-Optionee set forth in Item 9.

23. State the prices at which shares of the issuer have been issued for cash during the past year. If any shares have been issued for services, state the nature and value of the services and give the name and address of the person or company who received such shares. State the number of shares issued at each price.

* * * * *

No shares of the Company were issued for cash or services during the past year.

24. Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.

* * * * *

The Company has not entered into any material contracts within the past two years other than the contracts hereinbefore referred to.

25. PURCHASER'S RIGHT OF WITHDRAWAL AND RECISSION:

A. Right of Withdrawal:

An agreement of purchase and sale covering any of the shares hereby offered is not binding upon the purchaser if the company, from whom the purchaser buys same, receives written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement, not later than midnight of the second day (exclusive of Saturdays, Sundays and holidays) after receipt of the Statement of Material Facts of the Company; provided the purchaser had not sold or transferred the said shares prior to the expiration of the said two day period.

Receipt of the Statement of Material Facts by the agent of the purchaser and receipt of the said notice by the agent for the vendor of the said shares shall be receipt by the purchaser and vendor respectively.

B. Right of Rescission:

A purchaser of any of the shares hereby offered has a right to rescind his contract to purchase while he is still the owner of the said shares if the Statement of Material Facts of the Company received by such purchaser as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading; provided, however, that such right of rescission will not apply:

- (a) if the untruth or fact of omission was unknown to the Company and to the underwriter and could not have been known in the exercise of reasonable diligence;
- (b) if the purchaser knew the untruth of the statement or knew of the omission at the time of purchase.

Receipt of a Statement of Material Facts by a party who is acting as agent or who thereafter commences to acts as agent of the purchaser shall be receipt by the purchaser. No action shall be commenced after the expiration of ninety days from the last to occur of the receipt of the Statement of Material Facts or the date of the contract.

26. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.

* * * * *

There are no other material facts.

SARIMCO MINES LIMITED

Balance Sheet as at 30 June 1967

(with comparative figures for the year ended 31 December 1966)

ASSETS

Current	31/Dec./66	30/Jun/67
Cash in bank	\$ 4,114	\$ 5,830
Accounts receivable	4,870	2,274
	<u>8,984</u>	<u>8,104</u>
Investments , at cost less amounts written-off		
Unlisted shares	501	501
Marketable shares (Market \$2,100)	2,419	
Josan Holdings Limited		
Shares, at cost	250	250
Advance, at nominal value	1	1
Other		
Equipment, at cost less \$1,263 written-off as depreciation	500	500
Mining claim interests, at cost	9,551	9,551
	<u>\$ 22,206</u>	<u>\$ 18,907</u>

LIABILITIES

Current		
Accounts payable	\$ 837	\$ 775
Capital (See Note)		
Authorized — 6,000,000 shares of a par value of \$1.00 each.		
Issued and fully paid — 1,324,001 shares, less discount thereon of \$1,056,310	267,871	267,871
Deficit — per statement	246,502	249,739
	<u>21,369</u>	<u>18,132</u>
Net equity	<u>\$ 22,206</u>	<u>\$ 18,907</u>

Note:

By agreement of 31 July 1967 the company, subject to approval thereof by all regulatory authorities having jurisdiction over the sale of shares of the company, (i) sold treasury shares of the company to net \$75,000 to the company at a price per share to be determined and granted an option for a three month period from the date of approval thereto on ½ the number of shares sold at a further price to be determined, and (ii) optioned a mining property by the issue of 15,000 treasury shares, which option, to fully exercise will require the issuance of further blocks of 15,000 treasury shares in 6, 9, 12 and 15 months from the approval date.

Prepared from the books of account without audit.

Approved on behalf of the Board:

“P. J. SULLIVAN”, Director.

“O. E. SMITH”, Director.

AUDITORS' REPORT

TO: The Directors of
Sarimco Mines Limited.

We have examined the attached Statements of Deficit, Administrative Expenditures Written-off and Source and Application of Funds of Sarimco Mines Limited for the three years ended 31 December 1966. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the attached Statements of Deficit, Administrative Expenditures Written-off and Source and Application of Funds present fairly the results of the company's operations for the three years ended 31 December 1966, in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Ontario,
10 August 1967.

DELOITTE, PLENDER, HASKINS & SELLS,
Chartered Accountants.

SARIMCO MINES LIMITED

Statement of Deficit

FOR THE THREE YEARS ENDED 31 DECEMBER, 1966 (AUDITED) AND THE
SIX MONTHS ENDED 30 JUNE, 1967 (UNAUDITED)

	Year ended 31 December (audited)			(unaudited) Six months ended 30 June 1967
	1964	1965	1966	
Balance to open	\$ 892,223	\$ 205,611	\$ 218,273	\$ 246,502
ADD:				
Administrative expenditures	16,887	9,449	6,157	2,001
Exploration expenditures	8,367	5,256	4,426	274
Cost of mining claim interests abandoned		3,641	12,440	
Write down of investments.....		6,395		
Depreciation of equipment			250	
Write down of advance			4,999	
Explorative expenditures of prior year		16,257		
Debts written-off				1,100
	<u>917,477</u>	<u>246,879</u>	<u>246,545</u>	<u>249,877</u>
DEDUCT:				
Security trading gain	382	28,106		
Dividend received		500		
Gain on sale of investments			43	138
Paid-in surplus arising on re-organization	* 711,484			
	<u>711,866</u>	<u>28,606</u>	<u>43</u>	<u>138</u>
Balance to close	\$ 205,611	\$ 218,273	\$ 246,502	\$ 249,739

* This item was recorded as such in the books of the company in 1965, but for presentation purposes herein it is shown as being effected in 1964, the actual year of re-organization, and represents the residual balance arising on a pro rata application of net capital subscribed in relation to shares cancelled on re-organization.

Statement of Administrative Expenditures Written Off

FOR THE THREE YEARS ENDED 31 DECEMBER, 1966 (AUDITED) AND THE
SIX MONTHS ENDED 30 JUNE, 1967 (UNAUDITED)

	Year ended 31 December (audited)			(unaudited) Six months ended 30 June 1967
	1964	1965	1966	
Shareholders information and meetings	\$ 112	\$ 176	\$ 174	\$
Legal and audit.....	3,407	877	1,100	
Loan interest	673			
Secretarial and office	1,200	2,224	2,028	1,215
Sundry	2,422	1,839	1,655	440
Share transfer agent	2,211	1,526	1,200	346
Management fee	1,200	1,150		
Share issue expense	2,025			
Re-organization fees	3,304			
Prospecting expense	333	1,657		
	<u>\$ 16,887</u>	<u>\$ 9,449</u>	<u>\$ 6,157</u>	<u>\$ 2,001</u>

SARIMCO MINES LIMITED

Statement of Source and Application of Funds

**FOR THE THREE YEARS ENDED 31 DECEMBER, 1966 (AUDITED) AND THE
SIX MONTHS ENDED 30 JUNE, 1967 (UNAUDITED)**

	Year ended 31 December (audited)			Six months ended (unaudited) 30 June 1967
	1964	1965	1966	
Working capital to open				
Current assets	\$ 278	\$ 38,207	\$ 27,281	\$ 8,984
Less: Current liabilities	(22,089)	17,298	2,923	837
	(21,811)	20,909	24,358	8,147
Source of funds				
Sale of 300,000 shares.....	90,000			
Dividend received		500		
Security trading gain.....	382	28,106		
Sale of investments.....			3,672	2,557
Total funds available	68,571	49,515	28,030	10,704
Application of funds				
Claim staking costs	5,881	10,452	5,300	
Claims purchased			4,000	
Explorative expenditures	24,894	5,256	4,426	274
Administrative expenditures	16,887	9,449	6,157	2,001
Debts written off				1,100
	47,662	25,157	19,883	3,375
Working capital to close				
Current assets	38,207	27,281	8,984	8,104
Less: Current liabilities	17,298	2,923	837	775
	\$ 20,909	\$ 24,358	\$ 8,147	\$ 7,329

DATED this 31st day of July, 1967.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by the statement of material facts.

“FREDERICK H. JOWSEY”
Chief Executive Officer

“J. GUY WHEELER”
Chief Financial Officer

On behalf of the Board of Directors:

“PATRICK JEROME SULLIVAN”
Director

“OLGA ETHEL SMITH”
Director

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this statement of material facts.

UNDERWRITER-OPTIONEE:

GOODWIN HARRIS & COMPANY LIMITED

Per: “Albert George White”

NEITHER THE ONTARIO SECURITIES COMMISSION NOR THE TORONTO STOCK EXCHANGE HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE

file

ONTARIO SECURITIES COMMISSION
THE TORONTO STOCK EXCHANGE

AMENDMENT NO. 2 TO THE
STATEMENT OF MATERIAL FACTS

OF

SARIMCO MINES LIMITED
111 Jarvis Street,
Toronto, Ontario.

The open market distribution of the underwritten shares comprising 400,000 shares at the price of 15 cents per share and 75,000 shares at the price of 20 cents per share commenced on September 14, 1967 and was completed on November 6, 1967.

As at the date hereof, Goodwin Harris & Company Limited, 347 Bay Street, Toronto, Ontario, acting on behalf of its client Exchange Underwriters Limited, held options to purchase 200,000 shares in the capital of the Company at the price of 20 cents per share and 37,500 shares in the capital of the Company at the price of 25 cents per share, exercisable on or before March 12, 1968. As at the date hereof the Underwriter-Optionee did not intend to exercise such options and same have since lapsed.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE SECURITIES

AMENDMENT NO. 2 TO THE
STATEMENT OF MATERIAL FACTS

OF

SARIMCO MINES LIMITED
dated July 31, 1967
as amended by Amendment No. 1
thereto dated December 13, 1967.

Amendments have been made to the following items.

This Amending Statement should be read in conjunction with the
Statement of Material Facts 67-3 and Amendment No. 1 67-2.

6. Give names, addresses and chief occupations for
the past five years of the officers and directors of the issuer.

* * * * *

Delete all reference to Frederick Hurdman Jowsey,
who has resigned as Vice-President and a Director of the Company.
Mr. Jowsey has been replaced as a Director (only) of the Company
by Charles Dudley Robbins, Jr., 24 Winsdale Road, Etobicoke,
Ontario, Mining Company Executive and Prospector.

14. Give brief particulars of the exploration and
development work of the issuer during the past year and the
results thereof.

* * * * *

In Amendment No. 1 to the Company's Statement of
Material Facts it was stated that the Company did not intend to
expend any further monies upon the optioned four-claim group
located in Rouyn Township, Quebec, and that the option to purchase
same would be allowed to lapse. Since the publication of Amendment
No. 1 the Company has been advised by H. Grant Harper, P.Eng., its
consulting geologist, that because of encouraging results from
neighbouring properties the Company should keep its option to
purchase these claims in good standing. Accordingly the 15,000
share option payment which fell due on February 17, 1968 will be
made to the Optionor who has agreed that upon receipt of same the
original option agreement dated July 31, 1967, will be revived in
good standing.

The Exploration Permit in Costa Rica as mentioned in
Item 4 of Amendment No. 1 has not yet been granted. If, as and when
the said Permit is granted, full particulars thereof including an
engineer's or geologist's report thereon will be disclosed in a
further Amendment to the Company's Statement of Material Facts.

It has been brought to the Company's attention that mining operations for phosphate were carried out on the Island of Redonda, West Indies, in the early 1900's. To date, the Company has spent the sum of \$50 in investigating the procedures required to be followed in order to secure a mining concession on the said island. No decision has yet been made as to whether to proceed with an application for such a concession.

15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.

* * * * *

The Company has entered into an agreement with Drope Lake Explorations Limited ("Drope Lake") under date of February 2, 1968, whereunder the Company may acquire the option for a period of one year to earn a 50% interest in Mining Area CBS 636 and Drope Claim No. 1 located in the Lac La Rouge Area of the Province of Saskatchewan, the whole interest in which is presently held by Drope Lake.

The Company has paid to Drope Lake the sum of \$500 by way of a non-refundable deposit and upon the agreement becoming effective the Company shall be required to expend at least \$20,000 upon the property in exploration work, whereupon the option may be exercised by the incorporation of a new Company (Nuco) which will acquire the property for 750,000 shares in its capital to be allotted and issued as to 50% to Drope Lake and as to the remaining 50% to the Company. In addition, the Company will be entitled to receive shares of Nuco at the rate of 10 cents per share to the value of \$20,000 worth of exploration work aforesaid. The vendor shares aforesaid will be subject to whatever escrow provisions may be prescribed by any securities regulatory body which may have jurisdiction. The agreement also provides that for a period of 10 years after the incorporation of Nuco, the Company shall have the right to participate to the extent of 70% in all financings of Nuco with Drope Lake having the remaining 30% interest.

In order to become effective, the said agreement requires the prior approval of the shareholders of Drope Lake. A meeting of the shareholders of Drope Lake will be held within the next few weeks for the purpose of seeking such approval, and the costs of such meeting will be borne by Sarimco Mines Limited.

In the event that such approval is forthcoming and the agreement thereby becomes effective, full particulars of this transaction, including an engineer's report on the property, will be filed with the appropriate securities regulatory bodies having jurisdiction.

SARINCO MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FROM 6 DECEMBER 1967 TO 29 FEBRUARY 1968

Working capital at 6 December 1967 \$ 13,585.69

Source of Funds

Interest earned 696.48
\$ 14,282.17

Application of Funds

Drope Lake, Saskatchewan

Option Payment 500.00
Deposit re. Shareholders meeting 1,000.00
Engineering report 1,115.66 2,615.66

Administrative

Secretarial and office 840.00
Share certificates 268.13
Share Transfer Agent 216.89
Corporation Tax 21.00 1,346.02

Cost of Amendment to Statement
of Material Facts 884.34

Cost of determining procedures
for concession application over
Island of Redonda, W.I. 50.00

Write down of accounts receivable
to nominal value (1) see footnote 2,272.48 \$ 7,168.50

Working capital at 29 February, 1968 \$ 7,113.67

Approved on behalf of
the Board of Directors

P. J. Sullivan
Director

J. P. Smith
Director

The Company holds \$50,000.00 par Canada Savings Bonds for use as required.

(1) These accounts are receivable as follows:

Lyndhurst Mining Company Limited \$1499.00 (Since August, 1966)
Twin Mountain Uranium Mines Limited 773.48 (since September, 1966)

DATED the 4th day of March, 1968.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Statment of Material facts dated July 31st, 1967, as amended by Amendment No. 1 dated December 13, 1967 and as further amended herein.

"P. J. SULLIVAN"

"O. E. SMITH"

Chief Executive Officer

Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS:

"MILTON KIRSH"

"NATHAN ROHER"

Director

Director

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Statement of Material Facts dated July 31, 1967, as amended by Amendment No. 1 dated December 13, 1967 and as further amended herein.

UNDERWRITER-OPTIONEE:

GOODWIN HARRIS & CO. LIMITED

Per: "A.G.White"

